Department of Education
Student Financial Assistance
SFA Acquisition Guide

Teamwork, Key Players and The Process

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SFA ACQUISITION

TEAMWORK, KEY PLAYERS AND THE PROCESS

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EXECUTIVE SUMMARY

This Guide was prepared because the Office of Student Financial Assistance (SFA) is embarking on a new and exciting journey. Congress has mandated SFA as a Performance Based Organization (PBO) in order to enhance government services through increased flexibility and performance incentives in exchange for greater accountability for results. SFA has begun a modernization program with the objectives to:

- Reduce cost;
- Improve customer and employee satisfaction; and,
- Transform SFA into a Performance Based Organization.

In order to meet these objectives, SFA is implementing strategies to transform itself into a true business organization that makes decisions on the same basis as successful private sector firms. The two primary strategies are an (1) Information Technology (IT) investment management strategy that incorporates a business-driven approach to managing IT initiatives and (2) an aggressive acquisition strategy that inserts teamwork into all the acquisition processes and reflects and utilizes all the flexibilities afforded agencies through the various acquisition reform statutes.

The IT investment management strategy links the strategic priorities of SFA to the selection, control and evaluation of IT initiatives. Thus, the focus of the IT investment management process is to ensure that SFA's business priorities are met by *selecting* initiatives that best support the goals and objectives of SFA. Once selected and funded, initiatives are monitored and *controlled* to ensure that they remain aligned to SFA priorities and on track to achieve desired outcomes. Completed initiatives will be *evaluated* to understand any deviations from established benefits, cost and schedule targets.

The acquisition strategy is complementary to the IT investment management strategy as it implements acquisition reform and teamwork. Among the most fundamental of reforms, SFA's strategy reflects the fact that acquisition begins when an agency decides it has a performance need. Today, those decisions are made under the processes required by the Government Performance and Results Act (GPRA). The Information Technology Management Reform Act (ITMRA, part of the Clinger-Cohen Act) establishes important requirements for capital planning, investment review, and performance measurements for information technology used by or acquired by agencies. Finally, the Federal Acquisition Streamlining Act (FASA) requires cost, performance, and schedule goals for every acquisition — and it requires that agencies achieve 90 percent of those goals. Together, these laws link tightly together the requirements of GPRA, ITMRA, and FASA with regard to mission and program performance planning, capital planning, acquisition planning, and performance management and measurement. Further, these laws align quite well with SFA's role as a PBO.

Under the law, all of these processes (and the people involved in them) are part of the acquisition life cycle. By bringing together all these skills and disciplines into Integrated

Project Teams (IPTs), SFA will capture and direct important human energy and creativity into reaching its goals. To reach its objectives, each member of the acquisition team must share the same goal: to support the acquisition and oversee project improvements implemented by contractors. To carry out their role, the team members must understand what "acquisition" really means today.

This Acquisition Guide sets forth a road map that describes the processes and the teamwork required for SFA to be successful. The Guide also describes how the acquisition strategies integrate into the IT investment management strategy. By following the tenets set forth, SFA will become a world-class business organization.

SECTION 1: THE "ACQUISITION" PROCESS

It is important to remember that the following activities, as well as the tasks shown on the subsequent pages, are performed by an Integrated Product Team (IPT). The designation of a responsible party is set forth only to show the individual that should lead that particular activity/task within the IPT environment for business or legal reasons. The IPT is an evolving group of functional experts. It is normally made up of representatives from the Channel Manager/Process Owner, the Office of Acquisitions and Contract Performance, the Chief Information Officer, the Chief Financial Officer and the Office of Analysis. From time to time the membership may vary and may include representatives from the Office of General Counsel, the Office of the Inspector General, or other appropriate functional activities.

The Acquisition Process synchronizes with the Investment Review Board (IRB) process. The chart below shows the IRB Phases that correspond with the Acquisition Process.

#	Activity	Corresponding IRB Phase	Responsible
1	Acquisition Planning	Select	Business Managers
2	Contract Planning	Select	Acquisitions and Contract Performance
3	Solicitation Preparation	Select	Acquisitions and Contract Performance
4	Evaluation	Select	Business Managers/ Acquisitions and Contract Performance
5	Source Selection and Contract Award	Select/Control	Business Managers/ Acquisitions and Contract Performance
6	Contract Implementation	Control/Evaluate	Business Managers/ Acquisitions and Contract Performance
7	Contract Changes	Control/Evaluate	Acquisitions and Contract Performance
8	Contract Close Out	Evaluate	Acquisitions and Contract Performance

The following pages detail the activities, tasks and tools used to acquire SFA contract support.

Activity 1 – Acquisition Planning

The business manager identifies the Project Need and then establishes the IPT required to develop the business case as required by the IRB process. Within the IPT, support will come from all functional areas within SFA, but specifically including the Office of the Business Manager, the Office of Acquisitions and Contract Performance, the Chief Information Officer (when the CIO is not the Business Manager), the Analysis Group (for assistance in determining the success metrics) and the Chief Financial Officer (for discussing financial issues such as incentives).

#	Task	Tools Used	Responsible
1.1	Identify the Project Need		Business Manager
1.2	Establish IPT		Business Manager
1.3	Identify and Quantify Projected Demand		IPT
1.4	Identify and Quantify Technical Solutions	Market Research	IPT
1.5	Estimate Resource Requirements		IPT
1.6	Develop Project Plan		IPT
1.7	Validate Mission Need and Approve Project Plan		IPT
1.8	Provide/Commit Funds		CFO
1.9	Designate Program Manager		Business Manager

Activity 2 – Contract Planning

The business manager begins the Contract Planning Phase by working within the IPT to prepare the documents required to conduct a procurement action. Within the IPT, support for these initial tasks will specifically come from the Office of Acquisitions and Contract Performance, the Chief Information Officer (when the CIO is not the Business Manager), the Analysis Group (for assistance in determining the success metrics) and the Chief Financial Officer (for discussing financial issues such as incentives).

The Office of Acquisitions and Contract Performance takes the lead within the IPT for the second phase of Contract Planning. Support is provided through the IPT by the Business Manager and the Offices of the Chief Financial Officer and the Chief Information Officer.

#	Task	Tools Used	Responsible
2.1	Prepare Statement of Objectives		Business Manager
2.2	Prepare Milestones		Business Manager
2.3	Recommend Incentives		Business Manager

2.4	Prepare Source Selection Criteria and Source Selection Implementation Plan		Business Manager
2.5	Prepare QA Plan		Business Manager
2.6	Determine Vendor Availability	Market Research	Acquisition and Contract Performance
2.7	Determine Small/Small Disadvantaged Business Availability/Advisability	Market Research	Acquisition and Contract Performance
2.8	Determine Contract Type	Memorandum for Record	Acquisition and Contract Performance
2.9	Determine Contracting Methodology		Acquisition and Contract Performance
2.10	Determine Most Efficient Buying Activity		Acquisition and Contract Performance

Activity 3 – Prepare and Issue Solicitation Document

Following completion and approval of the Acquisition Plan and the Contract Plan, the Office of Acquisitions and Contract Performance will issue the appropriate contractual document to solicit offers for the required resources. Complexity, dollar value, contract type, etc. will effect the contracting methodology used. Presented here as separate activities are those methodologies most likely to be used in the SFA environment.

Activity 3a – Prepare and Issue RFP

Activity 3a is for complex, high dollar value requirements for which an RFP will be issued and for which formal source selection procedures will be used. The lead is taken by the Office of Acquisitions and Contract Performance. Support is provided through the IPT by the Business Manager, the CIO and the CFO (for assistance with pricing models and incentive clauses).

#	Task	Tools Used	Responsible
3a.1	Assure that Funds are Available		Acquisitions and Contract Performance
3a.2	Prepare and transmit Commerce Business Daily Notice		Acquisitions and Contract Performance

3a.3	Prepare terms and conditions, including any special incentive clauses		Acquisitions and Contract Performance
3a.4	Prepare and test pricing models		Acquisitions and Contract Performance
3a.5	Prepare Bidders Mailing List		Acquisitions and Contract Performance
3a.6	Print and Mail RFPs or Post Electronically		Acquisitions and Contract Performance

Activity 3b – Prepare and Issue RFQ

Activity 3b is for less complex, lower dollar value activities for which an RFQ will be issued under simplified acquisition procedures[1] or against an existing General Services Administration (GSA) Federal Supply Service (FSS) Schedule contract or a GWAC contract, and for which less formal source selection procedures will be used.

The lead is taken by the Office of Acquisitions and Contract Performance. Support is provided through the IPT by the Business Manager, the CIO and the CFO (for assistance with pricing models and incentive clauses).

#	Task	Tools Used	Responsible
3b.1	Assure that Funds are Available		Acquisitions and Contract Performance
3b.2	Prepare any special terms and conditions, including any special incentive clauses		Acquisitions and Contract Performance
3b.3	Prepare and test pricing models		Acquisitions and Contract Performance
3b.4	Review available documentation (e.g., FSS Schedules, GWAC contracts, etc.) for appropriate vendors		Acquisitions and Contract Performance
3b.5	Print and Mail RFQs or Post Electronically		Acquisitions and Contract Performance

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[1] SFA has specific legislative authority exempting them from the $100,000 limit for simplified acquisition procedures. Such procedures use streamlined processes that permit innovative approaches including the use of oral solicitations, oral proposals, and combined synopsis/solicitation. In other words, SFA has been given broad discretion in fashioning suitable procedures regardless of dollar amount.

Activity 3c – Prepare and Issue Sole Source Solicitation

Activity 3c is for those requirements determined to be available from only one source. Such a requirement is presented here so that SFA Managers can see that the process is NOT as simple nor is it less time consuming than other procurements undertaken under today's environment of procurement reform. In fact, depending on the dollar value, the political sensitivity, and the sole source vendor's recalcitrance to negotiate, sole source procurements may indeed take longer than a competitive procurement. Proposals must still be solicited, received and evaluated.

The lead is taken by the Office of Acquisitions and Contract Performance. Support is provided through the IPT by the Business Manager, the CIO and the CFO (for assistance with pricing models and incentive clauses).

#	Task	Tools Used	Responsible
3c.1	Assure that Funds are Available		Acquisitions and Contract Performance
3c.2	Prepare Sole Source justifications		Business Manager
3c.3	Prepare and transmit Commerce Business Daily Notice		Acquisitions and Contract Performance
3c.4	Prepare any special terms and conditions, including any special incentive clauses		Acquisitions and Contract Performance
3c.5	Prepare and test pricing models		Acquisitions and Contract Performance
3c.6	Print and Mail RFQ/RFP		Acquisitions and Contract Performance

Activity 3d – Contract with separate Buying Activity

Activity 3d is for those requirements where it is determined to be more efficient to have an outside "Center Of Excellence" acquire the requirements for the SFA. Examples of such "Centers of Excellence" for IT requirements are the GSA's FEDSIM program, Commerce's COMMITS program (for IT services obtained from small, small disadvantaged, 8(a) or women-owned business), Veteran's Affairs San Antonio Computer Center, and the Minerals Management Service. SFA's direct involvement will be limited to the activities shown below; however, the Centers Of Excellence will most likely require support and input from the IPT on a variety of the tasks shown in 3a – 3c above.

The lead is taken by the Office of Acquisitions and Contract Performance. Support may be required through the IPT from the Business Manager, the CIO and the CFO.

#	Task	Tools Used	Responsible
3d.1	Assure that Funds are Available		Acquisitions and Contract Performance
3d.2	Determine Appropriate Center of Excellence	Market Research, Interviews	Acquisitions and Contract Performance

3d.3	Process and complete Memorandum of Understanding		Acquisitions and Contract Performance
3d.4	Transfer Funds		CFO
3d.5	Provide Support		IPT

Activity 4 – Initial Evaluation

The tasks involved in initial evaluation are, like those in Activity 3 above, dependent upon the type of contracting methodology chosen. This means that the more complex, high dollar value, and politically sensitive the acquisition is, the more involved the evaluation process will be. Just as was done in Activity 3 above, the evaluation process has been broken out separately for each different, and corresponding, acquisition methodology.

Activity 4a – Initial Evaluation of RFPs

Shown here in Activity 4a are those evaluation tasks required for those instances where RFP's are issued. The level and sophistication of the Evaluation Boards will depend on the complexity and dollar value of the procurement involved; however, it is anticipated that RFPs will only be issued for complex, high dollar value or politically sensitive requirements unless the requirement can not be met through other means.

The tasks shown here in Activity 4a are normally conducted simultaneously as opposed to serially. For smaller acquisitions, the IPT itself may serve as the evaluation boards. Support for the evaluation board/panels will come from all areas of the organization notwithstanding which organization has the lead.

#	Task	Tools Used	Responsible
4a.1	Designate Source Selection Evaluation Board and Source Selection Authority		Business Manager
4a.2	Provide training and evaluation material to SSEB		Acquisitions and Contract Performance
4a.3	Receive and distribute proposals		Acquisitions and Contract Performance
4a.4	Perform Technical Evaluation		Business Manager
4a.5	Perform Management Evaluation (as appropriate)		Business Manager
4a.6	Perform Past Performance Evaluation		Business Manager
4a.7	Perform Cost/Price Evaluation		Acquisitions and Contract Performance

4a.8	Review Evaluations and Prepare Clarification Requests (CRs) and Deficiency Reports (DRs)		SSEB Chair/ Business Manager
4a.9	Issue CRs and DRs, receive and distribute responses		Acquisitions and Contract Performance

Activity 4b – Evaluation of RFQs

Shown here in Activity 4b are the evaluation tasks required for those instances where Requests for Quotes (RFQs) are issued using simplified acquisition procedures, FSS Schedule contracts, or the "fair opportunity" procedures required under Government Wide Acquisition Contracts (GWACs). The level and sophistication of the Evaluation Boards will depend on the complexity and dollar value of the procurement involved; however, it is anticipated that SFA will make extensive use of the RFQ process to streamline its acquisitions.

Support for the evaluation board/panels will come from all areas of the organization notwithstanding which organization has the lead, and the IPT itself may serve as the core evaluation panel while pulling in other support as needed.

#	Task	Tools Used	Responsible
4b.1	Receive and distribute proposals		Acquisitions and Contract Performance
4b.2	Perform Technical Evaluation		Business Manager
4b.3	Perform Past Performance Evaluation		Business Manager
4b.4	Perform Cost/Price Evaluation		Acquisitions and Contract Performance
4b.5	Hold "Oral Presentations" and obtain clarifications		Acquisitions and Contract Performance

Activity 4c – Evaluation of Sole Source Proposal

Shown here in Activity 4c are the evaluation tasks required for those instances where acquisitions are conducted with the only source deemed able to meet the SFA's requirements. Even though there is only one vendor, a thorough evaluation of the vendors offer must take place to make sure that SFA's requirements will be met.

Support for the evaluation board/panels will come from all areas of the organization regardless which organization has the lead, and the IPT itself may serve as the core evaluation panel while pulling in other support as needed.

#	Task	Tools Used	Responsible
4c.1	Receive and distribute proposal		Acquisitions and Contract Performance
4c.2	Perform Technical Evaluation		Business Manager
4c.3	Perform Past Performance Evaluation		Business Manager
4c.4	Perform Cost/Price Evaluation		Acquisitions and Contract Performance
4c.5	Perform Cost/Price audit (if required)		Acquisitions and Contract Performance

Activity 4d – Evaluation Support for Other Buying Activities

As discussed in Activity 3d, SFA will use Centers Of Excellence to acquire product, services or solutions to satisfy its requirements. In these instances, SFA will most likely be asked (or will want) to provide assistance and sit on the evaluation boards/panels established by the specific Center of Excellence. Shown here in Activity 4d are the evaluation tasks most likely to be required of SFA in assisting the Other Buying Activity.

The IPT will serve as the focal point for obtaining/assigning the resources required to provide assistance.

#	Task	Tools Used	Responsible
4d.1	Coordinate required assistance		Acquisitions and Contract Performance
4d.2	Designate required resources		Business Manager
4d.3	Provide required assistance		Business Manager

Activity 5 – Negotiation/Source Selection

The tasks involved in negotiation and source selection are, like those in Activities 3 and 4 above, dependent upon the type of contracting methodology chosen. This means that the more complex, high dollar value, and politically sensitive the acquisition is, the more involved the evaluation process will be. Just as was done in Activities 3 and 4 above, the evaluation process has been broken out separately for each different, and corresponding, acquisition methodology.

Activity 5a – Negotiation/Source Selection under RFPs

Shown here in Activity 5a are those negotiation tasks required for those instances where RFP's are issued. The level and sophistication of the required tasks will depend on the complexity and dollar value of the procurement involved; however, it is anticipated that

RFPs will only be issued for complex, high dollar value or politically sensitive requirements unless the requirement can not be met through other means.

The Office of Acquisitions and Contract Performance will take the lead during negotiations, with strong support from the Business Manager, CIO and CFO. The Business Manager will take the lead during the final Source Selection process with strong support coming from the Office of Acquisitions and Contract Performance

#	Task	Tools Used	Responsible
5a.1	Negotiate Technical, Management and Past Performance proposals		Acquisitions and Contract Performance
5a.2	Request, receive and distribute final Technical, Management and Past Performance proposals		Acquisitions and Contract Performance
5a.3	Evaluate final Technical, Management and Past Performance Proposals		Business Manager
5a.4	Negotiate Price Proposals		Business Manager
5a.5	Request and receive Best and Final Offers		Acquisitions and Contract Performance
5a.6	Determine Contractor Responsibility		Acquisitions and Contract Performance
5a.7	Prepare Final Source Selection Recommendation		SSEB Chair/ Business Manager
5a.8	Make Final Selection		Business Manager
5a.9	Sign Contract/Obligate Funds		Acquisitions and Contract Performance
5a.10	Place obligations on SFA books		CFO

Activity 5b – Negotiation/Source Selection under RFQs

Shown here in Activity 5b are those negotiation tasks required for those instances where RFQs are issued. Since the RFQ process is meant to be streamlined, the level and intensity of activity required are far less than that shown in Activity 5a above.

The Office of Acquisitions and Contract Performance will take the lead during negotiations, with strong support from the Business Manager, CIO and CFO. The Business Manager will take the lead during the final Source Selection process with strong support coming from the Office of Acquisitions and Contract Performance.

#	Task	Tools Used	Responsible
5b.1	Negotiate Technical, Management, Past Performance and Price proposals, if necessary		Acquisitions and Contract Performance
5b.2	Request, receive and distribute revised proposals, if necessary		Acquisitions and Contract Performance
5b.3	Evaluate final Proposals, if necessary		Business Manager
5b.4	Determine Contractor Responsibility		Acquisitions and Contract Performance
5b.5	Make Final Selection		Business Manager/ Acquisitions and Contract Performance
5b.6	Sign Contract/Obligate Funds		Acquisitions and Contract Performance
5b.7	Place obligations on SFA books		CFO

Activity 5c – Negotiation/Source Selection Sole Source Contracts

Shown here in Activity 5c are those negotiation tasks required for those instances where negotiations are conducted with only one vendor. While the formal source selection process is shortened, final evaluations must still be conducted and the possibility of a contractor extending negotiations by taking a more difficult position is more likely. It is as imperative here, as it is in the fully competitive environment, that the IPT members function as a team and that the teamwork is projected to the contractor.

The Office of Acquisitions and Contract Performance will take the lead during negotiations, with strong support from the Business Manager, CIO and CFO. The Business Manager will take the lead during the final Source Selection process with strong support coming from the Office of Acquisitions and Contract Performance.

#	Task	Tools Used	Responsible
5c.1	Negotiate Technical, Management, Past Performance and Price proposals, if necessary		Acquisitions and Contract Performance
5c.2	Request, receive and distribute revised proposal, if necessary		Acquisitions and Contract Performance
5c.3	Evaluate final proposal, if necessary		Business Manager
5c.4	Determine Contractor Responsibility		Acquisitions and Contract Performance
5c.5	Sign Contract/Obligate Funds		Acquisitions and Contract Performance
5c.6	Place obligations on SFA books		CFO

Activity 5d – Negotiation/Source Selection with Other Buying Activities

Most of the Centers of Excellence will not only request/require SFA assistance in the evaluation and negotiation of offers but will also require SFA to either be the Source Selection Authority or to have input into the source selection recommendation (in fact, it should be a SFA policy that they will not enter into agreements with Centers of Excellence that do the evaluation and selection with no input from SFA). Shown here in Activity 5d are those tasks most likely to require SFA assistance.

The Office of Acquisitions and Contract Performance will take the lead during negotiations, with strong support from the Business Manager, CIO and CFO. The Business Manager will take the lead during the final Source Selection process with strong support coming from the Office of Acquisitions and Contract Performance.

#	Task	Tools Used	Responsible
5d.1	Assist with Negotiations of Technical, Management, Past Performance and Price proposals, if necessary		Acquisitions and Contract Performance
5d.2	Assist with evaluate final Proposals, if necessary		Business Manager
5d.3	Assist with Final Selection		Business Manager/ Acquisitions and Contract Performance
5d.4	Obtain signed contractual documents including letter designating SFA as the Successor Contracting Activity		Acquisitions and Contract Performance
5d.5	Place obligations on SFA books		CFO

POST-AWARD PHASE

It is important to remember that the following activities, as well as the tasks shown on the subsequent pages, are performed by an IPT. The designation of a responsible party is set forth only to show the individual that should lead that particular activity/task within the IPT environment for business or legal reasons.

#	Activity	Tools Used	Responsible
6	Contract Implementation		Business Managers
7	Contract Changes		Acquisitions and Contract Performance
8	Contract Close Out		Acquisitions and Contract Performance

Activity 6 – Contract Implementation

The business manager will be primarily responsible for the Contract Implementation portion of the Post Award Phase. However, the Business Manager or the Business Manager's staff may not give direction to the contractor which changes the scope, changes the dollar value, changes the delivery schedule or changes other terms and conditions of the contract. Only the Contracting Officer can make such changes using the processes outlined in Activity 7 below. In addition, the Analysis Group now begins to play a bigger role in terms of working with the Office of Acquisition and Contracts and the Business Manager to collect, analyze and report metrics required by the Government Performance and Requirements Act, the Federal Acquisition Streamlining Act and the Clinger-Cohen Act.

Contract implementation at SFA is complicated by the requirement under many contracts for a transition period where the old contractor continues to perform until such time as the business manager determines that the new contractor is performing at a satisfactory level.

#	Task	Tools Used	Responsible
6.1	Designate COTR	Letter of Designation	Business Manager
6.2	Appoint COTR clearly spelling out authority/ Brief COTR on duties.	Letter of appointment with copy to contractor	Acquisitions and Contract Performance
6.3	Hold Post Award conference		Acquisitions and Contract Performance
6.4	Coordinate dual contract performance during the transition period		Business Manager
6.5	Provide daily, non-binding guidance/ clarifications to contractors		Business Manager
6.6	Perform inspection and acceptance of deliverables/work product		
6.7	Approve invoices		
6.8	Provide on-going financial analysis		CFO
6.9	Collect and record performance data		Acquisitions and Contract Performance
6.10	Conduct periodic Program Management Reviews		Business Manager
6.11	Collect, analyze and report metrics		Analysis Group

Activity 7 – Contract Changes

As stated above, only the Contracting Officer can effect changes that modify the contract's scope, cost/price, delivery schedule or other terms and conditions. There are several different types of contract changes. Those listed below are the ones most likely to be addressed by SFA.

Activity 7a – Administrative Modifications

Administrative modifications can be required for a number of reasons. As an example, the contract may name a Contracting Officer, Contracting Officers Representative or Contractor's representative by name and that person has to be replaced. Or the contract may contain some other innocuous error such as an incorrect fund citation, date or other clearly mistaken piece of data. In these instances, the Contracting Officer may issue an Administrative Modification. Such modifications normally do not require a counter signature from the Contractor.

#	Task	Tools Used	Responsible
7a.1	Provide request for change		Business Manager/ Acquisitions and Contract Performance/ Contractor
7a.2	Prepare Modification		Acquisitions and Contract Performance
7a.3	Review Modification		Business Manager
7a.4	Sign, issue and distribute Modification		Acquisitions and Contract Performance

Activity 7b – Exercise of Options

Many SFA contracts contain price options. These options may be for additional quantities of goods or for an additional performance period. Notwithstanding the contract's inclusion of such options, certain tasks are required to be performed. Again, the IPT plays an important role in bringing all the responsible parties together.

The exercise of priced options does not necessarily require a contractor's countersignature on the Modification document; however, many Contracting Officer's choose to do so.

#	Task	Tools Used	Responsible
7b.1	Alerts Business Manager and IPT that Option Exercise is near		Acquisitions and Contract Performance
7b.2	Coordinates requirement with IRB		Business Manager
7b.3	Approves requirement		IRB
7b.4	Within contract time limits, notifies contractor of SFA's intent to exercise option		Acquisitions and Contract Performance

7b.5	Requests funds		Business Manager
7b.6	Commits funds		CFO
7b.7	Determines fairness and reasonableness of prices	Market Survey/ Price Analysis	Acquisitions and Contract Performance
7b.8	Determines continued contractor responsibility		Acquisitions and Contract Performance
7b.9	Prepare Modification		Acquisitions and Contract Performance
7b.10	Review Modification		Business Manager
7b.11	Sign, issue and distribute Modification		Acquisitions and Contract Performance

Activity 7c – Change in price, delivery or scope

From time to time, contracts require changes that affect price, delivery or scope. There are a number of reasons for such changes. Technology may have changed significantly, as an example, or SFA's requirements may have changes as a result of legislative/programmatic changes. Or the contractor may suggest ways to save the government money in terms of changing the contract requirements to introduce efficiencies. In any event, a change must be proposed to the contractor who must submit a proposal in return. The proposal must be evaluated and negotiated.

Care must be taken in changes of this sort. If the change is deemed so significant that it changes the nature of the work originally competed, then a new competition may be required.

#	Task	Tools Used	Responsible
7c.1	Change submitted to Contracting Officer		Business Manager/ Contractor
7c.2	If contractor change, coordinates with Business Manager		Acquisitions and Contract Performance
7c.3	Coordinates requirement with IRB		Business Manager
7c.4	Approves requirement		IRB
7c.5	Requests funds		Business Manager
7c.6	Commits funds		CFO
7c.7	Requests and receives proposal from Contractor		Acquisitions and Contract Performance
7c.8	Evaluates proposal		Business Manager
7c.9	Negotiates proposal		Acquisitions and Contract Performance
7c.10	Determines fairness and reasonableness of prices		Acquisitions and Contract Performance
7c.11	Prepares Modification		Acquisitions and Contract Performance
7c.12	Review Modification		Business Manager
7c.13	Signs Modification		Contractor

| 7b.14 | Sign, issue and distribute Modification Obligate funds | | Acquisitions and Contract Performance |
| 7b.15 | Put funds on SFA books | | CFO |

Activity 8 – Contract Close Out

The Contracting Officer will be primarily responsible for the Contract Close Out portion of the Post Award Phase. The Business Manager or the Business Manager's staff will provide assistance in verifying final delivery and acceptance and return of Government Furnished Property. The CFO will provide assistance in de-obligating unused funds.

#	Task	Tools Used	Responsible
8.1	Verify and document final delivery and acceptance		Acquisitions and Contract Performance/Business Manager
8.2	Verify and document the return of all Government Furnished Equipment/Property		Acquisitions and Contract Performance/Business Manager
8.3	Audit cost reimburseable contracts for final indirect cost rates		Acquisitions and Contract Performance
8.4	Verify and document that any royalty and patent claims have been resolved and that the contractor will submit no additional claims		Acquisitions and Contract Performance
8.5	Negotiate and approve any final contract changes (e.g., funding changes due to audited indirect rates, etc.)		Acquisitions and Contract Performance/Business Manager
8.6	Review and approve Contractor's final invoice		Acquisitions and Contract Performance/Business Manager
8.7	De-obligate any excess funds		Acquisitions and Contract Performance/CFO
8.8	Sign Contract Completion Statement and archive file		Acquisitions and Contract Performance

SECTION 2: ACQUISITION-RELATED ROLES, RESPONSIBILITIES, AND AUTHORITIES

Some roles, responsibilities, and authorities for information technology acquisition are specified by regulation. Others may vary from acquisition to acquisition (depending on size, scope, and complexity) and from agency to agency (depending on agency rules and procedures). The following sections describe in general the roles, responsibilities, and authorities of agency personnel who participate in, manage, and oversee the acquisition of information resources.

CHIEF INFORMATION OFFICER

Each agency has a Chief Information Officer (CIO) who is responsible for the agency's information technology planning, budgeting, investment, performance, and acquisition. CIOs are responsible under ITMRA for:

- Providing advice and assistance to the head of the executive agency and other senior agency management personnel to ensure that information technology is acquired and information resources are managed in accordance with law.

- Developing, maintaining, and facilitating the implementation of a sound and integrated information technology architecture for the executive agency.

- Promoting the effective and efficient design and operation of all major information resources management processes for the executive agency, including improvements to work processes.

The CIO has important approval authority related to investment in and acquisition of information technology in support of agency programs.

AGENCY INVESTMENT REVIEW BOARD

Each agency has a process through which requests for funding are considered and approved or disapproved. For information technology acquisitions, the processes are mandated by ITMRA and require the establishment of an agency investment review board (which is usually part of or closely associated with the office of the CIO). Agency heads are required to:

- Provide for the selection of agency information technology investments, the management of such investments, and the evaluation of the results of such investments.

- Integrate agency processes for making budget, financial, and program management decisions.

- Establish minimum criteria to be applied when considering whether to undertake a particular investment in information systems, including criteria related to the quantitatively expressed projected net, risk-adjusted return on investment and specific

quantitative and qualitative criteria for comparing and prioritizing alternative information systems investment projects.

- Provide for identifying information systems investments that would result in shared benefits or costs for other Federal agencies or state or local governments.

- Provide for identifying for a proposed investment quantifiable measurements for determining the net benefits and risks of the investment.

- Provide the means for senior management personnel of the executive agency to obtain timely information regarding the progress of an investment in an information system, including a system of milestones for measuring progress, on an independently verifiable basis, in terms of cost, capability of the system to meet specified requirements, timeliness, and quality.

For a major acquisition to be funded, it must first be approved by the agency's investment review board.

PROGRAM MANAGER

Because most information technology acquisitions are made to support a specific program and specific program objectives, the role of the program manager is to represent programmatic interests during the acquisition. The program manager is responsible for ensuring that the organization's long- and short-term needs are met by the acquisition.

Due to the GPRA, FASA, and ITMRA mandates for program performance goals, the program manager's role on the team is, arguably, the most important. Initially, the program manager may be involved in strategic planning that leads to the development of specific information resources programs. If the planned program includes contracting for information technology, the program manager will likely be involved in activities such as the following:

- Establishing program performance goals.

- Working with the Office of the Chief Information Officer to gain approval and funds for acquisitions.

- Describing the functional need.

- Assisting in conducting market research and developing the acquisition strategy.

- Participating in assessing alternatives and conducting benefit-cost analysis.

- Justifying and "positioning" the acquisition to compete for funding.

- Obtaining funding.

- Preparing program-related portions of the solicitation document.

- Preparing justifications for specifications or procurement methods that limit competition (if necessary).

- Serving on evaluation panels.

- Monitoring contractor performance.

- Measuring actual performance against projected performance.

- Reporting to the agency investment review board (for major acquisitions).

ACQUISITION TEAM

As indicated in the body of this white paper, the trend today, given statutory mandates, is that acquisitions are conducted by teams of people, working cooperatively toward a common goal. Participants in the acquisition process should be empowered to make decisions within their area of responsibility.

The acquisition team, sometimes called an Integrated Product (or Project) Team, normally consists of representatives from at least three key organizations: program, technical (information technology/information resource management), and contracting. Increasingly (because of ITMRA's investment mandates), a fourth organization is represented: finance. And common sense dictates that the team also has an on-team representative of the legal office. Regardless of its representation, the team is responsible for ensuring that the acquisition:

- Satisfies legal and regulatory requirements.

- Has performance and investment objectives.

- Successfully meets the agency's needs and intended results.

- Remains on schedule and within budget.

INFORMATION TECHNOLOGY/INFORMATION RESOURCE MANAGEMENT PERSONNEL

Information technology and information resources management personnel provide technical expertise to the program manager and the contracting officer throughout the acquisition process. Such individuals may also be the most knowledgeable about information technology acquisition reform, including the new requirements related to performance, re-engineering, modular strategies, and so on. As such, information technology/information resource management personnel can serve as "enablers," helping to shape the acquisition strategy and to meet critical statutory and regulatory requirements.

One of the primary responsibilities of information technology/information resource management personnel is to be knowledgeable about technology, including the high-technology industry and its standard commercial practices. As acquisition requirements dictate, the information technology/information resource management staff may be called upon to:

- Assist in determining needs and goals.

- Conduct market research.

- Assess technical and acquisition alternatives and assist in conducting benefit-cost analysis.

- Assist with justifying and positioning the acquisition to compete for funding.

- Prepare specifications, statements of work, and technical material for incorporation in the solicitation document.

- Verify that user-written statements of work and functional specifications are technically feasible and not unduly restrictive.

- Assist with developing justifications for specifications or procurement methods that limit competition (if necessary).

- Serve on evaluation panels.

- Support acceptance testing and inspection procedures.

- Assist in monitoring contractor performance.

- Measure actual performance against projected performance.

- Report to the agency investment review board (for major acquisitions).

Information technology/information resource management personnel may perform other tasks in support of program or contracting activities.

SENIOR PROCUREMENT EXECUTIVE

The Senior Procurement Executive, who is responsible for management direction of the agency's procurement system and implementation of unique procurement policies, regulations, and standards, may be involved in major acquisitions.

CONTRACTING OFFICER

According to FAR Subpart 1.6, authority and responsibility to contract for authorized supplies and services is vested in the agency head, who may establish contracting activities and delegate broad authority to manage the agency's contracting functions. Agency heads or designees issue warrants to contracting officers stating the limits of their authority.

Only contracting officers[2] have the authority to legally bind the government and to enter into, administer, and terminate (if necessary) contracts for the Government. Contracting officers are responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships. Contracting officers should be allowed wide latitude to exercise business judgment in order to meet these responsibilities and to:

- Advise on acquisition strategies and alternatives.

- Provide advice on who will communicate (and how) with industry.

- Conduct market research (including customary market practices).

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[2] In some agencies, a relatively small number of high-level officials are designated contracting officers solely by virtue of their positions.

- Request and consider the advice of specialists in audit, law, engineering, transportation, and other fields, as appropriate.

- Ensure that sufficient funds are available for obligation.

- Prepare the solicitation document (if necessary).

- Verify that the planned acquisition is not unduly restrictive.

- Assist with developing justifications for specifications or procurement methods that limit competition (if necessary).

- Publicize forthcoming acquisitions.

- Issue and amend solicitations.

- Arrange and conduct pre-proposal conferences.

- Ensure that contractors receive impartial, fair, and equitable treatment.

- Determine the competitive range.

- Conduct negotiations with responsive and responsible offerors.

- Determine the successful offeror if a source selection authority (SSA) is not designated.

- Notify the successful offeror.

- Notify and debrief unsuccessful offerors.

- Award and sign contracts for the Government.

- Manage contracts and delegate certain contract administration functions to contracting officer-appointed representatives.

- Modify contracts.

- Assist in monitoring contractor performance.

- Terminate contracts.

- Prepare and present the Government's position in a dispute claim or bid protest.

- Report to the agency investment review board (for major acquisitions).

There are significant training and certification requirements for contracting officers. See Attachment 2 for further information.

ADMINISTRATIVE CONTRACTING OFFICER

The contracting officer, who normally has several contracts to administer concurrently, often designates an Administrative Contracting Officer (ACO) and authorizes that person to perform certain functions on his or her behalf. The contract identifies the ACO and specifies the authorized actions. In performing assigned contract administration functions, the ACO typically:

- Schedules a post-award conference with the winning contractor as soon as possible after contract award.

- Monitors the contractor's technical, schedule, and cost performance against the contract specifications.

- Ensures that funding is provided to the contractor on a timely basis.

- Schedules any Government activities required by the contract.

- Performs formal acceptance of contract deliverables for the Government.

The ACO is not authorized to change (add, delete, or modify) any contract terms, conditions, or requirements—or to take any action that might appear to effect change. The contracting officer alone has such authority (which must be in writing).

CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE

The contracting officer (CO) delegates specific contract administration functions to a representative of the program office who has functional or technical expertise concerning the requirement. This individual, whose identity and duties are specified in the contract, is the Contracting Officer's Technical Representative (COTR). Typically, the COTR:

- Supports the program manager in defining the requirement, conducting market research, developing the acquisition strategy, and related tasks.

- Serves as technical liaison between the Government and contractor.

- Determines whether contract deliverables meet technical and performance specifications.

- Prepares or assists in preparing contractor performance evaluations.

In some cases, the COTR and the ACO are the same person.

Unlike the requirements for contracting officers, there are no special training or certification requirements for COTRs. See Attachment 2 for further information.

SOURCE SELECTION AUTHORITY

The Source Selection Authority (SSA) — a term most often used when the selection authority is not the contracting officer — is the Government official designated by the agency to direct the source selection process and make the selection decision. The SSA is often a representative of the program office (usually at a higher level in the organization than the program manager). The SSA should be at a management level above the contracting officer and cognizant technical officials so that the SSA will be in a position to evaluate the best interests of the Government, considering both acquisition and programmatic concerns. FAR 15.303 describes the responsibilities of the SSA.

SOURCE SELECTION EVALUATION BOARD

When necessary to assist with source selection on a large and complex acquisition, an agency may designate a Source Selection Evaluation Board (SSEB). The SSEB helps the contracting officer develop the source selection plan to evaluate proposals against the solicitation's evaluation criteria.

Members of the SSEB represent the various technical and functional disciplines needed to evaluate proposals for the acquisition. They are usually organized into teams, commonly the Technical Evaluation Panel and the Cost Evaluation Panel (described below). When these panels are large, most agencies include only the panel chairpersons and perhaps key team leaders in the formal SSEB meetings. The source selection plan (SSP) should clearly outline these relationships and responsibilities.
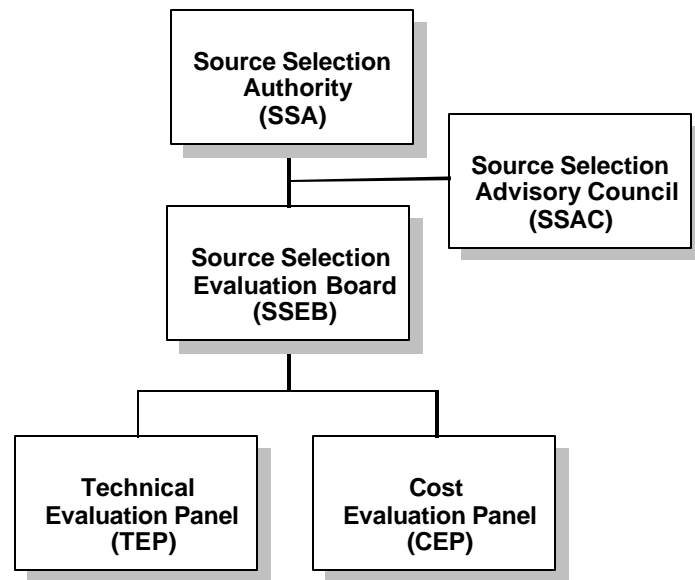
Technical Evaluation Panel. The Technical Evaluation Panel (TEP) evaluates offerors' technical proposals against the solicitation's technical evaluation factors in accordance with the source selection plan. The TEP may also support the contracting officer in discussions and negotiations.

Although its size will vary according to the complexity of the acquisition, the TEP should have sufficient technical and functional expertise to adequately assess the technical merits of offerors' proposals. For complex acquisitions, the TEP may be organized into smaller teams that specialize in evaluating specific parts of the proposals. Some agencies also use a nonvoting member from the contracting office as an advisor.

Cost Evaluation Panel. The Cost Evaluation Panel (CEP) conducts price and/or cost analysis of offerors' proposals. It also conducts a total cost evaluation in accordance with the solicitation and SSP. The CEP may support the contracting officer in discussions and negotiations.

For very complex or sensitive acquisitions, the SSA may use an additional evaluation organization — the Source Selection Advisory Council (SSAC). (See the source selection organizational structure at right.)

The SSAC advises the SSA on the status of the source selection process and prepares an independent comparative analysis of the factual evaluation information presented by the SSEB. When a separate SSAC is not used, its advisory role is performed by the SSEB.

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        ┌─────────────────┐
        │ Source Selection│
        │   Authority     │
        │     (SSA)       │        ┌──────────────────┐
        └────────┬────────┘        │ Source Selection │
                 │                 │ Advisory Council │
                 │                 │      (SSAC)      │
        ┌────────┴────────┐        └──────────────────┘
        │ Source Selection│
        │ Evaluation Board│
        │     (SSEB)      │
        └────────┬────────┘
           ┌─────┴─────┐
    ┌──────────┐  ┌──────────┐
    │Technical │  │   Cost   │
    │Evaluation│  │Evaluation│
    │  Panel   │  │  Panel   │
    │  (TEP)   │  │  (CEP)   │
    └──────────┘  └──────────┘
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COMPETITION ADVOCATE

The Competition in Contracting Act requires that each agency designate a competition advocate, who is responsible for:

- Promoting the acquisition of commercial items.

- Promoting full and open competition.

- Challenging requirements that are not stated in terms of functions to be performed, performance required, or essential physical characteristics.

- Challenging barriers to the acquisition of commercial items and full and open competition — such as unnecessarily restrictive statements of work, unnecessarily detailed specifications, and unnecessarily burdensome contract clauses.

SECTION 3: IMPLEMENTATION OF ACQUISITION REFORM THROUGH TEAMWORK

INTRODUCTION

Beginning in 1993, innovators in Congress and the Office of Management and Budget, with the support of executive branch agencies, reformed the laws and policies that govern Federal acquisition and information resources management. These reforms began with passage of the Government Performance and Results Act which requires strategic and annual program performance plans; were expanded through the Federal Acquisition Streamlining Act of 1994 to require cost, schedule, and performance goals for each acquisition; and culminated with the Information Technology Management Reform Act of 1996 (redesignated the Clinger-Cohen Act) which emphasizes capital planning and investment.

The effects of these reforms are dramatic and far-reaching. They stretch beyond the traditional views of what constitutes procurement and contracting to include such key management functions as program planning, budgeting, and setting and achieving program goals. The term "acquisition" better describes the process today, although the scope of this term is not broadly appreciated in government and industry today.

WHAT IS "ACQUISITION" AND WHY DOES IT MATTER?[3]

Acquisition is not procurement. Acquisition is not contracting. However, procurement and contracting are part of acquisition. *This simple statement changes all previously held notions about how acquisitions should be conducted and who should be involved.* The effect of reform is that acquisition is far broader and far more all-encompassing than simply the efforts of contracting officers and contracting officer's technical representatives. Hence, questions of "roles" need to be considered in the broader context of recent Congressionally mandated changes to federal acquisition.

Under reform, acquisition begins when an agency decides it has a performance need. In agencies today, those decisions are made under the processes required by the Government Performance and Results Act (GPRA). The Information Technology Management Reform Act (ITMRA, part of the Clinger-Cohen Act) establishes important requirements for capital planning, investment review, and performance measurements for information technology used by or acquired by agencies. Finally, the Federal Acquisition Streamlining Act (FASA) requires cost, performance, and schedule goals for every acquisition — and it requires that agencies achieve 90 percent of those goals. Together, these laws link tightly together the requirements of GPRA, ITMRA, and FASA with regard to mission and program performance planning, capital planning, acquisition planning, and performance management and measurement. *Under the law, all of these*

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[3] The information in this section is excerpted in part from a copyrighted Acquisition Solutions publication, "Chief Information Officers and Acquisition".

processes (and the people involved in them) are part of the acquisition life cycle. See illustration below.
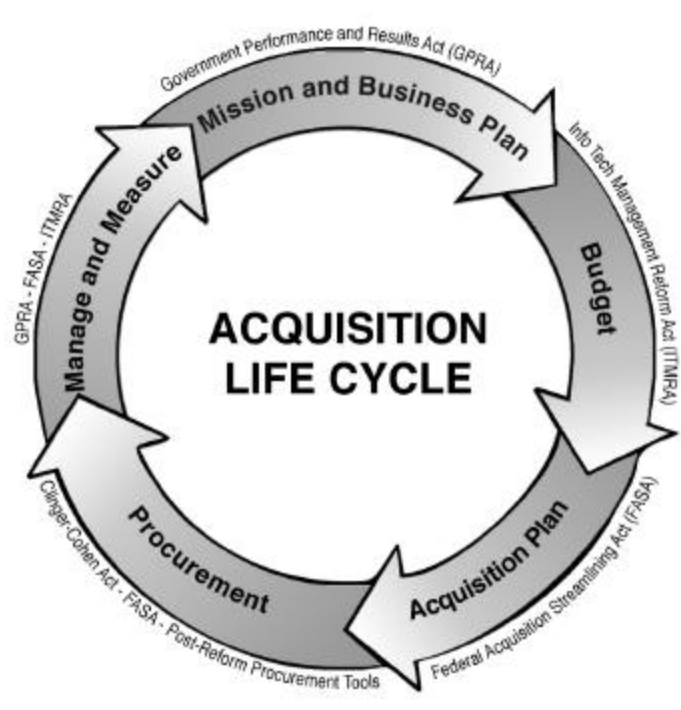

Acquisition encompasses the entire life cycle from planning to performance. This has important implications for the process of acquisition.

WHAT IS THE EFFECT OF REFORM ON ACQUISITION?

Acquisition reform is changing, in a very fundamental way, the Federal government's approach to acquiring goods and services.

In the pre-reform era, IT procurements were governed by the Brooks Act. Agencies planning to conduct an acquisition with a value over a designated threshold had to prepare and forward an agency procurement request (APR) to the General Services Administration (GSA). If the APR was approved, GSA would issue a delegation of procurement authority (DPA) authorizing the agency to conduct the acquisition. The primary goal of the Brooks Act was to ensure that IT acquisitions were conducted in a manner that achieved full and open competition. The primary control was the DPA. This situation led to a focus on procurement and the pre-award source selection phase of the acquisition process. (See below.)
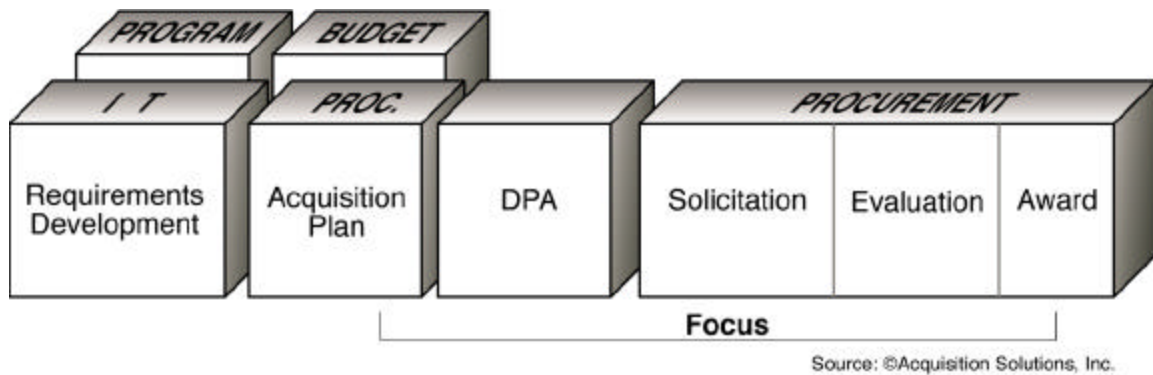
PRE-REFORM ACQUISITION (BROOKS ACT ERA)

Source: ©Acquisition Solutions, Inc.

During this time, contract award and successful defense of the nearly inevitable protest were often the measures of success. Except in the case of highly public failures, very little attention was paid to how the system was implemented, how well the system supported the agency mission, or whether its cost, schedule, or quality goals (if any) were achieved. *Another characteristic of the "Brooks era" was that individual offices had little incentive to work together.* While some acquisitions were exceptions, for the most part each office did its own thing, forwarding the product or document to the next office for action. There was no synergy, no mission-based focus, and no guarantee that the project would be managed toward the achievement of important agency goals

As mentioned previously, passage of a series of reform initiatives dramatically changed both the focus and process by which acquisitions are conducted. The combined force of the Government Performance and Results Act (GPRA), Federal Acquisition Streamlining Act (FASA), Information Technology Management Reform Act (ITMRA), and Federal Acquisition Reform Act (FARA) changed the entire philosophy of the system. Where "full and open competition" was the watchword of the Brooks era, and "process" was a dominant concern, "performance" and "results" describe today's principal objectives. This change in philosophy shifted the emphasis from the mechanics of the contracting process to the needs of the agency and required that the process of acquisition be an integrated whole. (See below.)

Source: ©Acquisition Solutions, Inc.
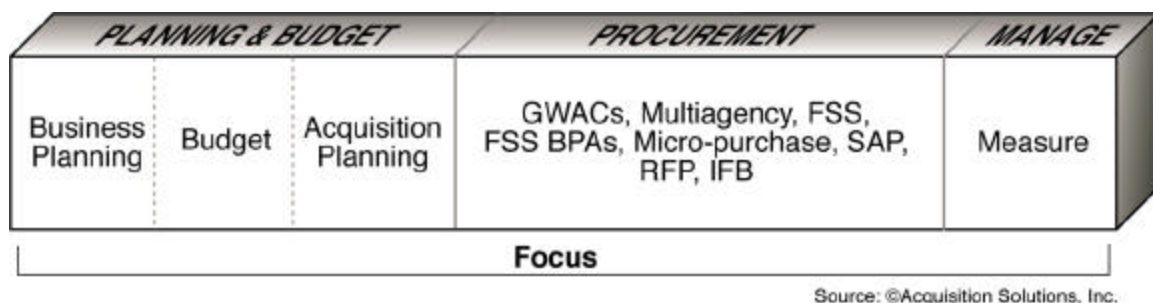
POST-REFORM ACQUISITION

The effect on the acquisition process is a greatly increased emphasis on (and control through) business planning, budgeting, and performance measurement. *Because of this program-based and investment-based thrust of acquisition, many more types of people must play a role in acquisition today.* In addition to technical and contracting staff, for example, are those from program, financial, and even legal offices. These people add fresh perspective, insight, energy, and innovation to the process — but their contributions to the acquisition process must be addressed and *managed differently* than they have been in the past.

DOES REFORM AFFECT WHO SHOULD BE INVOLVED?

Absolutely … and not just who but *how*. The lesson learned from the Brooks Act era is that the office-to-office, over-the-transom model *does not work*.

The trend today, given statutory mandates, is that acquisitions are conducted by teams of people, working cooperatively toward a common goal. This is the model used by leading or breakthrough organizations, which have come to recognize the limitations of clearly defined roles, responsibilities, and organizational boundaries … and have adopted the use of acquisition teams that integrate all stakeholders' efforts toward one goal: mission accomplishment. It is also the model that the Office of Management and Budget is seeking when it asks this question of agencies in their budget submissions: "Will an Integrated Product Team [acquisition team] manage the [acquisition] process?"

The acquisition team, also called an Integrated Product (or Project) Team, normally consists of representatives from at least three key organizations: program, technical (information technology/information resource management), and contracting. Increasingly (because of ITMRA's investment mandates), a fourth organization is represented: finance. And common sense dictates that the team also has an on-team representative of the legal office. Regardless of its representation, the team is responsible for ensuring that the acquisition:

- Satisfies legal and regulatory requirements.

- Has performance and investment objectives consistent with the agency's strategic goals.

- Successfully meets the agency's needs and intended results.

- Remains on schedule and within budget.

Successful teams typically have a number of features: shared leadership roles, individual as well as mutual accountability, collective work-products, performance measures related to the collective work-product, and other ingredients. In a team environment, the roles and responsibilities of the members (including CO and COTR) blur and merge, often with striking results.

In one agency, an assessment of the results achieved by acquisition teaming showed that *agency needs can be met in significantly shorter periods of time compared to traditional*

processes. For example, a commercial-off-the-shelf contract was awarded in 18 weeks — compared to 48 to 75 weeks using traditional procurement processes. Two support services contracts were awarded — the first in 24 weeks and the second in 31 weeks. Historically, this type of procurement typically took the agency from 47 to 95 weeks to award. In the final example, two systems development contracts were awarded in 21 and 50 weeks, with the minimum under the traditional process being 180 weeks.

In addition to time efficiencies, the teams were well received by the contractors, and team members found the experience to be productive. Contractor survey responses indicated that the teams functioned in a professional manner, that they resolved issues in a timely manner, and that they communicated well with the contractors responding to project proposals. Team members noted that the experience and knowledge gained from working on a cross-functional team was extremely valuable and that they would welcome the opportunity to work in a team environment again. Program managers responded that they believed the process promoted early planning, that it was faster and more efficient, that it provided efficient delivery of goods and services, and that it supported achievement of programmatic missions. *All in all, these are powerful arguments for cross-functional, integrated acquisition teams.*

As detailed in Attachment 1, *the roles, responsibilities, and authorities of the types of people involved in acquisition overlap* (at least to some extent). For example, the program manager and the contracting officer each play an important role in developing the statement of the requirement and the acquisition strategy. As another example, the program manager, contracting officer's technical representative, and the contracting officer each have important market research roles. This alone indicates why the over-the-transom approach common in the Brooks era was often ineffective, inefficient, and time-consuming … and frequently failed to deliver a satisfactory solution. In our view, attempting to clearly delineate roles and responsibilities — and then separating the performance of those responsibilities — will result in marginal success at best and mission failure at worse. Acquisition's roles and responsibilities are best performed by teams of professionals working toward a common goal.

DOES REFORM AFFECT THE APPROACH THAT PEOPLE SHOULD TAKE TO ACQUISITION?

Absolutely. The Federal Acquisition Regulation's "Guiding Principles" promote both the concept of the acquisition team and the initiative and innovation the team is expected to deliver. In pertinent part, FAR 1.102 provides—

> *"The role of each member of the Acquisition Team is to exercise personal initiative and sound business judgment in providing the best value product or service to meet the customer's needs. In exercising initiative, Government members of the Acquisition Team may assume if a specific strategy, practice, policy or procedure is in the best interests of the Government and is not addressed in the FAR, nor prohibited by law (statute or case law), Executive order or other regulation, that the strategy, practice, policy or procedure is a permissible exercise of authority."*

In addition, FAR 1.102(c) describes the broad scope of the acquisition team. It provides—

> *"The Acquisition Team consists of all participants in Government acquisition including not only representatives of the technical, supply, and procurement communities but also the customers they serve, and the contractors who provide the products and services."*

The FAR Guiding Principles and related provisions are included in Attachment 3.

CONCLUSION

As a result of Congressional and executive branch reforms, there is a new and exciting business focus on acquisition that places an important emphasis on performance. Acquisition is now viewed not just as contracting, but as an investment toward the advancement of an agency's mission and programs. As discussed, this has important implications for the types of people who are involved in acquisition and how they should be organized. Almost without exception, agencies need to rethink their operational approach to fulfilling the mission-essential *acquisition* process mandated by Congress.

SECTION 4: STATEMENT OF GUIDING PRINCIPLES
AND RELATED FAR PROVISIONS

1.102 STATEMENT OF GUIDING PRINCIPLES FOR THE FEDERAL ACQUISITION SYSTEM.

(a) The vision for the Federal Acquisition System is to deliver on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives. Participants in the acquisition process should work together as a team and should be empowered to make decisions within their area of responsibility.

(b) The Federal Acquisition System will--

(1) Satisfy the customer in terms of cost, quality, and timeliness of the delivered product or service by, for example--

(i) Maximizing the use of commercial products and services;

(ii) Using contractors who have a track record of successful past performance or who demonstrate a current superior ability to perform; and

(iii) Promoting competition;

(2) Minimize administrative operating costs;

(3) Conduct business with integrity, fairness, and openness; and

(4) Fulfill public policy objectives.

(c) The Acquisition Team consists of all participants in Government acquisition including not only representatives of the technical, supply, and procurement communities but also the customers they serve, and the contractors who provide the products and services.

(d) The role of each member of the Acquisition Team is to exercise personal initiative and sound business judgment in providing the best value product or service to meet the customer's needs. In exercising initiative, Government members of the Acquisition Team may assume if a specific strategy, practice, policy or procedure is in the best interests of the Government and is not addressed in the FAR, nor prohibited by law (statute or case law), Executive order or other regulation, that the strategy, practice, policy or procedure is a permissible exercise of authority.

* * * *

1.102-3 ACQUISITION TEAM.

The purpose of defining the Federal Acquisition Team (Team) in the Guiding Principles is to ensure that participants in the System are identified beginning with the customer and ending with the contractor of the product or service. By identifying the team members in this manner, teamwork, unity of purpose, and open communication among the members of the Team in sharing the vision and achieving the goal of the System are encouraged. Individual team members will participate in the acquisition process at the appropriate time.

1.102-4 ROLE OF THE ACQUISITION TEAM.

(a) Government members of the Team must be empowered to make acquisition decisions within their areas of responsibility, including selection, negotiation, and administration of contracts consistent with the Guiding Principles. In particular, the contracting officer must have the authority to the maximum extent practicable and consistent with law, to determine the application of rules, regulations, and policies, on a specific contract.

(b) The authority to make decisions and the accountability for the decisions made will be delegated to the lowest level within the System, consistent with law.

(c) The Team must be prepared to perform the functions and duties assigned. The Government is committed to provide training, professional development, and other resources necessary for maintaining and improving the knowledge, skills, and abilities for all Government participants on the Team, both with regard to their particular area of responsibility within the System, and their respective role as a team member. The contractor community is encouraged to do likewise.

(d) The System will foster cooperative relationships between the Government and its contractors consistent with its overriding responsibility to the taxpayers.

(e) The FAR outlines procurement policies and procedures that are used by members of the Acquisition Team. If a policy or procedure, or a particular strategy or practice, is in the best interest of the Government and is not specifically addressed in the FAR, nor prohibited by law (statute or case law), Executive order or other regulation, Government members of the Team should not assume it is prohibited. Rather, absence of direction should be interpreted as permitting the Team to innovate and use sound business judgment that is otherwise consistent with law and within the limits of their authority. Contracting officers should take the lead in encouraging business process innovations and ensuring that business decisions are sound.